COST SEGMENT 3 COST POOLS AND OTHER RELATED INFORMATION (PUBLIC VERSION)

I. PREFACE

I-A. Purpose:

USPS-FY19-7 provides estimates of volume-variable costs by product and other related data for Cost Segment (CS) 3. These data serve as inputs to the Cost and Revenue Analysis (CRA) "B" Workpapers, the CRA model, various Special Cost Studies, and NSA cost models. This folder provides data on aggregate CAG K-L costs requested by the Commission in Order No. 2837 (Nov. 24, 2015) for USO reporting purposes. Also, it provides workhours by Labor Distribution Code (LDC) and materials to support the calculations of the productive hourly rates (the labor costs per work hour by cost segment/craft).

I-B. Predecessor Documents:

The most recent predecessor document was USPS-FY18-7 in Docket No. ACR2018.

I-C. Corresponding Non-Public or Public Document.

USPS-FY19-7 is the public version of USPS-FY19-NP18. USPS-FY19-7 reports costs for competitive domestic mail products in aggregate; these are reported as separate products in USPS-FY19-NP18. USPS-FY19-NP18 provides MODS source data as well as the CAG K-L expense dataset used to develop the aggregate expenses for CAG K-L offices.

USPS-FY19-7 SAS program code, SAS logs, and SAS output tables correspond to those submitted in the USPS-FY19-NP18 folder but use the public version of the IOCS data file in USPS-FY19-37, while those for USPS-FY19-NP18 use the non-public version of the IOCS data file in USPS-FY19-NP21.

I-D. Methodology:

USPS-FY19-7 uses the same general methodology and computational procedures as described in USPS-FY18-7.

I-E. Inputs/Outputs:

The data systems identified in USPS-FY19-NP18— Pay Data system expenses by Labor Distribution Code (LDC), workhours from the Management Operating Data System (MODS), and In-Office Cost System (IOCS) data —are also inputs to USPS-FY19-7. The IOCS data set is provided in USPS-FY19-37 (public version).

In addition to those data systems, USPS-FY19-7 uses Remote Encoding Center console hours from the webROADS system provided in USPS-FY19-23, Priority Mail Express volume from the FY19 RPW report, and Inbound Express Mail volume from USPS-FY19-NP2 as inputs. The data sources for the Productive Hourly Rates are USPS-FY19-5 (Trial Balance) and the National Payroll Hour Summary Report for PP20, FY2019. The productive hourly rates are an input into various Special Cost Studies and NSA cost models.

USPS-FY19-7 outputs are used in other public folders as follows:

USPS-FY19-2	FY2019 Public Cost Segments and Components Report
USPS-FY19-8	Equipment and Facility Related Costs
USPS-FY19-10	FY2019 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY19-11	FY2019 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY19-12	Standard Mail Hybrid/Parcel Cost Study
USPS-FY19-13	FY2019 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY19-15	FY2019 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model / Media Mail – Library Mail Processing Cost Model
USPS-FY19-21	FY2019 QBRM and BRM Costs
USPS-FY19-25	FY2019 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY19-26	FY2019 Mail Processing Costs by Shape (Public Portion)
USPS-FY19-28	FY2019 Special Cost Studies Workpapers – Special Services (Public Portion)
USPS-FY19-31	FY2019 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY19-32	FY2019 CRA “B” Workpapers (Public Version)

Included at the end of this preface is Table 1, a summary table of CS 3 cost pool data displaying for each cost pool: total accrued costs, mail processing accrued and volume-variable costs, and volume-variable percent of mail processing costs. An Excel version of the table is included in the “USPS-FY19-7 part1.xlsx” file in the Excel Workbooks section of USPS-FY19-7.

In order to fulfill its obligations under the PAEA regarding USO costs, the Commission in Order No. 2837 (Nov. 24, 2015) sought reporting of total expenses for CAG K and L offices based on National Consolidated Trial Balance data, to replace a piggyback method previously employed, and of subaccount 105 (former Cost Segment 4) clerk costs. The FY2019 values are provided below. As noted above, this year the underlying data by finance number and account are provided in USPS-FY19-NP18.

Expense Grouping	Costs
Subaccount 105 Clerk Costs (Former CS4)	407,986,603
Total Expenses, CAG K/L Finance Numbers	688,948,201

Source: USPS-FY19-7 part1.xlsx, Table I-1D

II. ORGANIZATION

USPS-FY19-7 consists of:

- An "Excel Workbooks" section with eight Excel files, material documenting the Productive Hourly Rates calculations, and FY2019 workhours by LDC;
- SAS program documentation comprising the SAS program code, rtf files for SAS logs, and SAS output tables provided as Excel and HTML files;
- A PDF file of the MODS Handbook M-32 (revised September 2018), and a Word file providing the September 2019 update of the MODS operation descriptions in Appendix A.

USPS-FY19-7 Excel Workbooks comprises nine files, each contained in an Excel workbook. Eight Excel files are named USPS-FY19-7 Part I.xlsx through USPS-FY19-7 Part VIII.xlsx. The contents of each Excel file are indicated below under Section III.A, below. For each file, the included tables and their titles are listed in a Contents worksheet. The ninth file, LDC.Workhours.FY19.xlsx, provides FY2019 workhours by LDC.

The Productive Hourly Rates materials are contained in the subfolder *Productive Hourly Rates 2019* within *USPS-FY19-7 Excel Workbooks*. The subfolder contains five linked Excel files, which contain the data sources and calculations required to calculate FY 2019 workyears and workhour conversion factors. The files are xPHR.xls, Productive Hourly Rates.xls, Input.xls, Wkyrcalc.xls, and RealTB FY19Q 4YTD_112719Redacted.xls.

To avoid error messages when accessing the Productive Hourly Rates model, ensure all five files are in the same folder. Then open the xPHR.xls file. When that file opens, click in the 'Open Model' box on the lower left. This will open the remaining files in the correct order. To close the model, go back to the xPHR.xls file. Then click in either the 'Exit Without Save' or 'Save & Exit' box. This will close all the model's files.

USPS-FY19-7 SAS processing is described below in Section III.B. *USPS-FY19-7 SAS Programs* contains the SAS programs. *USPS-FY19-7 SAS Logs* contains rtf files of the SAS logs for each program. *USPS-FY19-7 SAS Output Tables* contains HTML files and Microsoft Excel workbooks comprising the output generated from the SAS programs.

III. DOCUMENTATION

III.A. Table of Contents for USPS-FY19-7 Excel Workbooks.

Part I: Development of Cost Pools for Cost Segment 3.

- Preface Table Links.
- Summary Tables of C/S 3 accrued costs by facility type.
- Tables of MODS Operation Hours by cost pool and by LDC for MODS 1&2 Facilities and for NDCs.
- Tables of percent of cost pool MODS hours by LDC for MODS 1&2 Facilities and for NDCs.
- Tables showing the development of IOCS-based nonMODS cost pools.
- Product Volume-Variable Costs and Variabilities, By Cost Pool (costs include “migrated” and “fixed” costs by cost pool and IOCS activity code).

Part II: List of MODS Operation Codes.

Part III: Product Volume-Variable Costs Disaggregated by Shape And By Cost Pool For First Class, Periodicals, Standard Mail and Package Services (shapes identified are letters, flats, and IPPs/parcels).

Details by Metered mail for Letter-Shaped and Flat-Shaped First Class Single Piece, and by Permit Imprint for IPP/Parcel-Shaped First Class Single Piece.

Part IV: Administrative and Window Service Input Costs to the CRA “B” Workpapers

Part V: Premium-adjusted Product Costs for C/S 3 Component 035, Distribution Keys for C/S 11, 15, 16, 18, and 20 Components (inputs to the CRA model)

Part VI: Equipment Volume-Variabilities for C/S 11, 16 (inputs to the CRA model)

Part VII: Premium Pay Adjustment Factors by Product, Overhead Factors by Cost Pool, and Crosswalk of Selected CRA Equipment Categories to MODS Mail Processing Cost Pools (inputs to special cost studies)

Part VIII: Disaggregated Wage Rates (inputs to special cost studies)

III. B. SAS Program Documentation for USPS-FY19-7

The FY19 SAS programs employ the same general structures, methods and procedures as in FY18. The SAS processing for USPS-FY19-7 was performed using PC SAS, specifically SAS for Windows version 9.4 (64-bit).

1. General Objective:

This set of SAS programs generates the Cost Segment 3 mail processing, administrative and window service input data into the CRA "B" Workpapers. Comments are included in the SAS programs to provide a description of the SAS codes.

The majority of the SAS programs relate to the development of volume- variable mail processing costs by cost pool for the mail rate categories associated with three facility groups: NDCs, MODS 1&2 facilities, and NONMODS facilities (NONMODS consist of all other Post-Offices, Stations, and Branches that are not part of the MODS 1&2 group). The three facility groups are identified by finance numbers. The cost pools for the NDCs and MODS 1&2 facilities are identified by MODS operations while those for the NONMODS offices are identified by IOCS operations. Thus, the cost pool dollars for the NDCS and MODS 1&2 cost pools and the total dollars for the NONMODS facilities are derived independently from IOCS.

Volume-variable costs (VVC) for products and services are obtained by applying distribution keys indicating the share of VVC to be assigned to each product or service to the VVC within each cost pool. The cost pool volume-variable and non-volume-variable activities as well as costs associated with migrated tallies are determined by IOCS. [1]

Distribution keys are based on product and service information collected in IOCS (i.e. percentages of dollar-weighted tallies associated with each product and service, typically within a cost pool). The distribution key shares reflect "direct" tallies (where the activity is associated with a specific product or service by the data collector), mixed-mail tallies (associated with multiple, generally unknown products), and tallies not involving handling of mail or other products. The distribution key shares are then applied by cost pool to distribute volume-variable costs to products and to develop other costs including non-volume-variable costs.

2. General Programming Structure:

Step0 *Partition tallies into three facility groups based on tally Finance Numbers*

[1] Migrated costs are costs for MODS-based cost pools transferred from the CS3 mail processing component (CS 3.1) to either Window Service (CS 3.2) or Administrative (CS 3.3) based on associated window-related or administrative activities recorded in IOCS.

The initial SAS program selects all clerk and mail handler records from the IOCS dataset.

The IOCS tallies are divided into three facility groups, based on the tally finance number:

MODS 1&2
Non-MODS
NDCs

The processing tasks are organized and performed separately for each of the above three groups. Although there are variations of criteria and parameters in step execution and of input and output data among the three groups, the program core structures and algorithms are similar across the groups (accordingly the SAS program names have not been changed). All computations are based on dollar- weighted tallies.

The succession of processing steps that is common across the three groups is as follows:

Step1 *Assign IOCS tallies to C/S 3 components and mail processing cost pools; construct distribution keys and identify groups of mixed-mail and not-handling tallies to be distributed to products.*

1.1 Classify clerk and mail handler tallies into mail processing, window service, claims and inquiries, and administrative groups.

1.2 Assign the mail processing tallies to cost pools.

1.3 Identify, within each cost pool, the sets of tallies to be used for product distribution factors in Step 3 and the sets of tallies to which the distribution factors will apply in all subsequent processing steps. (The two sets are sometimes referred to as distribut*ing* and distribute*d* sets). Note: migrated tallies, non-volume-variable tallies and Express mail out-of-office tallies are set aside at this stage)

1.4 Construct piece-shape, and item-type subclass distribution factors for Step2, based on the piece shapes and item types of direct tallies.

Step2 *Distribute mixed-mail handling tallies to products*

2.1 Apply distribution factors from Step 1.3 to distribute dollar-weighted tallies of uncounted and empty single items, and of items and loose pieces in ‘identified’ containers.

2.2 Use distributed dollar-weighted tallies of ‘identified’ containers from Step 2.1 and dollar-weighted tallies of direct containers from Step 1.3 to

construct product distribution factors by container type.

2.3 Apply distribution factors to distribute dollar-weighted tallies of 'unidentified' and empty containers to products.

2.4 Use distributed dollar-weighted tallies of 'identified', 'unidentified' and empty containers to distribute dollar-weighted tallies of tall pallet boxes.

Step3 *Distribute not-handling tallies and special pool costs to products*

3.1 Construct proxy subclass distribution keys for LDC 15, and broad-based distribution keys for distributing not-handling tallies in specified cost pools.

3.2 Construct subclass distribution keys based on handling tallies for distributing 'not handling' dollar-weighted tallies within a cost pool.

3.3 Distribute LDC15 costs and not-handling tallies to products.

3.3 Combine all direct and redistributed dollar-weighted tallies to obtain product costs.

Step4 *Special adjustment to allied labor cost pools*

4.1 Adjust the non-special services product distribution keys for the 'allied labor' cost pools based on the PRC methodology, and apply the adjusted distribution keys to the mail processing volume-variable costs by cost pool.

4.2 Distribute the volume-variable portion of the out-of-office Express Mail costs to Express Mail rate categories.

4.3 Combine direct and product-distributed costs for non-allied cost pools obtained in Step 3 and for 'allied' cost pools obtained in Step 4.1 with the out-of-office Express mail costs from Step 4.2, and add back the costs for non-volume-variable and migrated tallies. The costs thus obtained are inputs into C/S 3 workpapers.

Cost pools for the MODS 1&2 facilities and the NDCS are based on the MODS operations reported in IOCS (*Q18A03*). Mail processing cost pools for the Non-MODs are based on responses to Question 18.

Distribut*ing* sets consist of records with a mail or special service activity code (i.e., 1000-4950, 53XX-54XX, and 0020-0900 *if the employee is handling mail*) and distribut*ed* sets consist of those without. Records in both sets can be associated with:

pieces
item types *(Q20=B, Q21B01=*A-G, *Q21B02=*A-H)

container types (*Q21C01*=A-I, *Q21C02*=A-B, E, Q20=F, *Q21B01*=H)

Note: The terms 'item' and 'container' are not used as such in the FY 05 redesigned IOCS questionnaire. However, the terms 'item' and 'container' are still applicable. 'Item' refers to the following categories: bundles (*Q10*=B); and non-wheeled container types, primarily trays and sacks, (Q21B01=A-D, F-G, Q21B02=A-H). 'Container' refers to the following categories: wheeled container types (Q21C01=A-I); pallets and short pallet boxes (Q21C02=E, Q21C02=A-B); and combinations of containers (Q20=F, Q21B01=H)**.** Tall pallet boxes are in a separate category of their own.

In Step 1, distribut*ing* items are those with identical mail, where the top piece rule applies or where the piece contents are counted. Distribut*ed* items are:

single items, uncounted or empty

items in 'identified' containers. 'Identified' containers are those with recorded percentages of container volume (cube) occupied by shapes of loose mail and/or items (criteria: *Q21G01[A-U]* must not be all zero or blank, or contain any asterisks).

Distributing pieces are pieces handled by the employee or pieces processed on piece sorting equipment. Distribut*ed* pieces are loose mail in 'identified' containers.

In Step 2.1, 'identified' container tallies are processed similarly to counted item tallies in the IOCS file. A separate record is created for each non-zero percentage recorded for an item type or shape of loose mail in the container. The dollar weight for this record is the pro-rated tally dollar weight, based on the ratio of the recorded percentage for an item type or loose mail shape to the totaled percentages. In this fashion, each record in the distribut*ed* groups is uniquely identified with an item type or piece shape to which a distribution factor can be applied.

In Step 2.2, distribut*ing* containers are containers with identical mail and 'identified' containers whose content costs are distributed in Step 2.1. Distribut*ed* containers are 'unidentified' containers, (they have insufficient content information) or empty containers.

3. General Methods and Procedures Employed:

The underlying algorithm to construct a distribution key and distribute costs is employed at several places in the above process. A key is generally derived within the bounds of a single cost pool, but for specified circumstances, it can be derived across several cost pools. It is, however, always applied within the bounds of a single cost pool. The algorithmic approach is to:

Create for each mail activity code in the distribution key a separate distribution factor record containing the values of a numerator (*key)* and a denominator (*keytot). key* is the summed tally dollar weights for a mail activity code. *keytot* is the summed tally dollar weights for all mail activity codes in the distribution key. This is accomplished through applications of SAS *proc means* and *SAS merge.*

Uniquely identify each of the distribution key records by numbering them from 1 to *N.* The record sequence number will be used as a *merge* control variable.

Create for each record in the distribut*ed* group as many duplicate records as there are separate mail activity codes in the distribution key*.* Uniquely identify each of the duplicate records by numbering them from 1 to *N.*

Through a *SAS merge* with the distribution key records, add a mail activity code and the corresponding *key* and *keytot* to each record in the distribut*ed* group.

Multiply the record tally dollar weight by the ratio of *key* to *keytot* to obtain the distributed record tally dollar weight for the mail activity code.

If in a cost pool there is no distribution key to apply to a record in the distribut*ed* set, a new distribution key aggregated across cost pools is constructed and applied to that record, using the above procedure. The aggregation across cost pools is performed within each of the three facility groups, e.g. MODS 1&2 (with the ISC cost pool being excluded from this process), NONMODS, and BMCs. For the ISC cost pool, the distributed mixed mail subclass costs are proportionately augmented within each pool by the undistributed amount in that pool.

Several sets of SAS program code are implemented as separate modules that can be inserted into any programs by using the SAS '% INCLUDE' Statement.

For example, the SAS program code used to implement Steps 1.3 and 1.4 is applicable to all three facility groups. They are therefore stored as a separate SAS program (MAPITEMC). The same SAS program code for MAPITEMC can be inserted into any of the programs by using the SAS '% INCLUDE.' I t is then executed as part of the linking program.

Examples of other similar types of SAS modules include: MAPCLASS, which maps the activity codes into the rate categories; MAPCLCRA19, which assigns the CRA product numbers to those in established in MAPCLASS; DIST5354, which redistributes the costs for 5340 and 54XX to the relevant rate categories; PRCACTV, which lists the activity codes considered to be non-volume-variable and the migrated tallies; SHAPES, which maps the activity codes into disaggregated product categories by shape.

As stated above, some SAS modules used to provide inputs have been replaced by Microsoft Excel spreadsheets. Examples of these are as follows: For MODS,

the Excel spreadsheet DOLWGT19.xls provides the cost pool $ and facility space component number associated with the cost pool (replacing the SAS module DOLWGT); For NDCs, the spreadsheet DolwgtBM19.xls provides the cost pool $, and the spreadsheet BMCspace.xls provides the facility space component (replacing DOLWGTBM); For non-MODS offices, the aggregate IOCS $, the aggregate accrued $, the overhead factors used to incorporate the 'on break' and 'clocking in/out' costs into each mail processing cost pool are all calculated within the NONMOD1 SAS program, eliminated the need for the DOLWGTNM SAS program. The space component associated with each pool is provided by the spreadsheet NMSpace.xls.

4. List of SAS Programs:

Listed below are SAS programs with their input data sets and output data sets. Output data sets are temporary partitioned data files (the member name is in parentheses). Output data sets from a SAS program are used as input data sets for subsequent SAS programs. The SAS programs are executed in the order they are listed for each office type. The SAS programs for mail processing can be associated with steps 0 through 4 in section 2 above as follows:

SAS PROGRAM	INPUTS	OUTPUTS
MBCLREF (Step 0)	ƒ The SAS version of the PC SAS IOCS Data File in USPS-FY19-37. ƒ Flat file of *F2* MODS 1&2 encrypted finance numbers in IOCS file (MODS_fins19.prn)	*&&MODS.TALLIES* *&&NONMODS.TALLIES* *&&BMCS.TALLIES*

MODS 1&2 PROGRAMS	**% INCLUDE PROGRAMS & WORKBOOKS**	**INPUTS**	**OUTPUTS**
MOD1POOL (Steps 1.1, 1.2)	*MODS19ND.xls* *REMAP19* *DOLWGT19.xls*	*&&MODS.TALLIES*	*&&MODS(MODS)* *&&MODS(EXPRSOUT)* *&&MODS(DOLWGT19)*
MOD1DIR (Steps 1.3, 1.4)	*MAPITEMC* *PRCACTV*	*&&MODS(MODS)*	*&&MODS (DIRECT)* *&&MODS (MODKEY)* *&&MODS (ITEMPC)* *&&MODS (CONTEMP)* *&&MODS (NOTHAND)* *&&MODS(LD15)* *&&MODS(PALLET2)* *&&MODS (EXEMPT)* *&&ADMWIN (MODS*)
MOD2ITEM (Steps 2.1)		*&&MODS (MODKEY)* *&&MODS (ITEMPC*	*&&MODS (ITEMFILL)*
MOD22ITM (Steps 2.1)		*&&MODS (MODKEY)* *&&MODS (ITEMPC)*	*&&MODS (ITEMFIL1)*
MOD23ITM (Steps 2.1)		*&&MODS (MODKEY)* *&&MODS (ITEMPC)*	*&&MODS (ITEMFIL2)*
MOD3CONT (Steps 2.2, 2.3)		*&&MODS (MODKEY)* *&&MODS (ITEMFILL)* *&&MODS (ITEMFIL1)* *&&MODS (ITEMFIL2)* *&&MODS (CONTEMP)*	*&&MODS (CONTFILL)*
MOD31CNT (Steps 2.4)		*&&MODS (PALLET2)* *&&MODS (ITEMFILL)* *&&MODS (ITEMFIL1)* *&&MODS (ITEMFIL2)* *&&MODS (CONTFILL*	*&&MODS (PALL2FIL)*
MOD4DIST (Step 4)	*DIST5354* *MAPCLASS* *MAPCLCRA19*	*&&MODS (DIRECT)* *&&MODS (ITEMFILL)* *&&MODS (ITEMFIL1)* *&&MODS (ITEMFIL2)* *&&MODS (CONTFILL)* *&&MODS (PALL2FIL)* *&&MODS (NOTHAND)* *&&MODS (EXEMPT)* *&&MODS(DOLWGT19)*	*&&MPCOSTS (MODS)* *&&MPCOSTS (EXEMPT)*
M5ALLIED (Step 5)	*DIST5354* *MAPCLASS* *MAPCLCRA*	*&&MPCOSTS (MODS)* *&&MPCOSTS (EXEMPT)* *&&MODS (MODKEY)* *&&MODS (ITEMPC)* *&&MODS (CONTEMP)* *&&MODS (NOTHAND)* *&&MODS(PALLET2)* *&&MODS(EXPRSOUT)* *&&MODS(DOLWGT19)*	*&&MPCOSTS(MODSPRC)* *Summary Data Inputs into C/S3 Workpapers and CRA MODTableII-1.xls*
MODSHAPE	*SHAPES* *MAPCLCRA19*	*&&MPCOSTS(MODSPRC)*	*Inputs into USPS-FY19-26 MODsShapes.xls*

NDCS PROGRAMS	**% INCLUDE PROGRAMS & WORKBOOKS**	**INPUTS**	**OUTPUTS**
BMC1 (Steps 1.1 thru 1.4)	*DolwgtBM19.xls* *BMCPools.xls* *MAPITEMC*	*&&BMCS.TALLIES*	*&&BMCS (BMC1POOL)* *&&BMCS (BMCKEY)* *&&BMCS(DIRECT)* *&&BMCS (ITEMPC)* *&&BMCS (CONTEMP)* *&&BMCS (PALLET2)* *&&BMCS(NOTHAND)* *&&BMCS(DOLWGTBM19)* *&&ADMWIN(EXEMPTBM)* *&&ADMWIN(BMCS)*
BMC2 (Steps 2.1)		*&&BMCS (BMCKEY)* *&&BMCS (ITEMPC)*	*&&BMCS (ITEMFILL)*
BMC3 (Steps 2.2, 2.3)		*&&BMCS (BMCKEY)* *&&BMCS (CONTEMP)* *&&BMCS (ITEMFILL)*	*&&BMCS (CONTFILL)*
BMC31CNT (Steps 2.4)		*&&BMCS (PALLET2)* *&&BMCS (ITEMFILL)* *&&BMCS (CONTFILL*	*&&BMCS (PALL2FIL)*
BMC4DIST (Step 4)	*DIST5354* *MAPCLASS*	*&&BMCS (DIRECT)* *&&BMCS (ITEMFILL)* *&&BMCS (CONTFILL)* *&&BMCS (PALL2FIL)* *&&BMCS (NOTHAND)* *&&BMCS(DOLWGTBM19)* *&&ADMWIN (EXEMPTBM)*	*&&MPCOSTS (BMCS)* *&&MPCOSTS (EXEMPTBM)*
B5ALLIED (Step 5)	*DIST5354* *MAPCLASS* *MAPCLCRA19*	*&&MPCOSTS (BMCS)* *&&MPCOSTS (EXEMPTBM)* *&&BMCS (BMCKEY)* *&&BMCS (ITEMPC)* *&&BMCS (CONTEMP)* *&&BMCS (NOTHAND)* *&&BMCS(PALLET2)* *&&BMCS(DOLWGTBM19)*	*&&MPCOSTS (BMCSPRC) Summary Data Inputs into C/S3 Workpapers BMCTableII-3.xls*
BMCSHAPE	*SHAPES* *MAPCLCRA19*	*&&MPCOSTS (BMCSPRC)*	*Inputs into USPS-FY19-26 BMCShapes.xls*

NONMODS PROGRAMS	**% INCLUDE PROGRAMS & WORKBOOKS**	**INPUTS**	**OUTPUTS**
NONMOD1 (Steps 1.1 thru 1.4)	*MAPITEMC*	*&&NONMODS.TALLIES*	*&&NONMODS (NMD1POOL)* *&&NONMODS (EXPRSOUT)* *&&NONMODS (PALLET2)* *&&NONMODS (NMODKEY)* *&&NONMODS (DIRECT)* *&&NONMODS (ITEMPC)* *&&NONMODS (CONTEMP)* *&&NONMODS (NOTHAND)* *&&NONMDOS(DOLWGTNM)* *&&ADMWIN(EXEMPTNM)* *&&ADMWIN(NMOD)* *NMODI-4.xls* *NMODI-4A.xls* *NMODI-4B.xls* *NMODI-4C.xls* *NMODI-4Da.xls*
NONMOD12 (Steps 2.1)		*&&NONMODS (NMODKEY)* *&&NONMODS (ITEMPC)*	*&&NONMODS (ITEMFILL)*
NONMOD22 (Steps 2.1)		*&&NONMODS (NMODKEY)* *&&NONMODS (ITEMPC)*	*&&NONMODS (ITEMFIL1)*
NONMOD3 (Steps 2.2, 2.3)		*&&NONMODS (NMODKEY)* *&&NONMODS (ITEMFILL)* *&&NONMODS (ITEMFIL1)* *&&NONMODS (CONTEMP)*	*&&NONMODS (CONTFILL)*
NONMOD31 (Steps 2.4)		*&&NONMODS (PALLET2)* *&&NONMODS (ITEMFILL)* *&&NONMODS (ITEMFIL1)* *&&NONMODS (CONTFILL)*	*&&NONMODS (PALL2FIL)*
NONMOD4 (Step 4)	*DIST5354* *MAPCLASS*	*&&NONMODS (DIRECT)* *&&NONMODS (ITEMFILL)* *&&NONMODS (ITEMFIL1)* *&&NONMODS (CONTFILL)* *&&NONMODS (PALL2FIL)* *&&NONMODS (NOTHAND)* *&&NONMDOS(DOLWGTNM)* *&&ADMWIN(EXEMPTNM)*	*&&MPCOSTS (NONMODS)* *&&MPCOSTS (NMEXEMPT)*
N5ALLIED (Step 5)	*DIST5354* *MAPCLASS* *MAPCLCRA*	*&&MPCOSTS (NONMODS)* *&&MPCOSTS (NMEXEMPT)* *&&NONMODS (NMODKEY)* *&&NONMODS (ITEMPC)* *&&NONMODS (CONTEMP)* *&&NONMODS (NOTHAND)* *&&NONMODS(PALLET2)* *&&NONMODS(EXPRSOUT)* *&&NONMDOS(DOLWGTNM)*	*&&MPCOSTS (NMODPRC) Summary Data Inputs into C/S3 Workpapers* *NMDTableII-2.xls*
NMDSHAPE	*SHAPES* *MAPCLCRA19*	*&&MPCOSTS (NMODPRC)*	*Inputs into USPS-FY19-26 NMDshape_TableIII-B.xls*

ADMINISTRATIVE/ WINDOW SERVICES PROGRAMS	**% INCLUDE PROGRAMS & WORKBOOKS**	**INPUTS**	**OUTPUTS**
ADMWIN WINACCP	*DIST5354* *MAPCLASS* *MAPCLCRA19*	*&&ADMWIN(MOD)* *&&ADMWIN(NMOD)* *&&ADMWIN(BMC)* *&&MODS(DOLWGT19)* *&&BMCS(DOLWGTBM)* *&&NONMDOS(DOLWGTNM)* *&&MODS(EXPRSOUT)*	*Inputs into C/S 3 Workpapers* *ADMWIN_TableIV-1a.xls* *ADMWIN_TableIV-1a_pt2.xls* *ADMWIN_TableIV-1B.xls* *ADMWIN_TableIV-1C.xls* *ADMWIN_TableIV-1D.xls* *ADMWIN_TableIV-1E.xls* *WINACCP_TableIV-2.xls* *WINACCP_TableIV-2_pt2.xls*

Table 1: FY 19 Cost Segment 3 Clerk and Mailhandler Cost Pools
(Incorporates Docket No. RM2018-10 Proposal Seven, approved in PRC Order No. 4855)
1. MAIL PROCESSING (LDC 11-18 MODS ops for MODS & NDCs, LDC 41-44,48,49,79 MODS ops and IOCS ops for nonMODS)

SAS name	Applicable LDC or IOCS	Cost Pool Title	Pool Total Costs (incl migrated & fixed) (a)	PRC Mail Proc Pool costs (excl 'migrated') (b)	PRC Mail Proc Vol.Var. Costs (excl 'fixed') (c)	PRC Mail Proc Pool Volume-Variable Factor (c) / (b)
1A. MAIL PROCESSING - MODS 1&2 GROUP						
		Automated Distribution				
D/BCS	11	BCS/DBCS	1,511,307	1,504,256	1,495,225	0.9940
		Mechanized Distribution, Letters & Flats				
AFSM100	12 & 17	AFSM100 (incl. LDC17 MODS op #035 and #140	604,973	602,844	593,933	0.9852
FSS	12 & 17	FSS (incl. LDC17 MODS op #530)	188,709	188,139	184,742	0.9819
		Mechanized Distribution, Other				
APBS BUNDL	13	APBS - Bundles	145,678	145,043	140,230	0.9668
APBSPRIO	13	APBS - Priority	731,849	729,407	714,113	0.9790
		Manual Distribution				
MANF	14	Manual Flats	112,982	112,643	111,358	0.9886
MANL	14	Manual Letters	243,815	241,920	238,586	0.9862
MANP	14	Manual Parcels	26,080	25,974	24,615	0.9477
PRIORITY	14	Manual Priority	342,509	341,243	330,956	0.9699
LD15	15	**LDC 15**	64,187	64,188	57,277	0.8923
		Fixed Mechanized				
LCUS-SSM	16	Low-Cost Universal Sorter & Sack Sorting Machine	105,010	104,332	101,611	0.9739
1TRAYSRT	16	Mechanized Tray Sorter & Robotics	295,294	294,666	282,933	0.9602
		Allied Operations				
1CANCEL	17	Cancellation	181,773	181,773	178,221	0.9805
1DSPATCH	17	Dispatch	79,265	78,516	77,466	0.9866
1MTRPREP	17	Metered Mail Preparation	4,923	4,923	4,808	0.9766
1OPBULK	17	Opening Unit - Bulk	17,838	17,838	17,734	0.9942
1OPPREF	17	Opening Unit - Pref	131,396	130,781	127,571	0.9755
1OPTRANS	17	Opening - Manual transport	29,503	29,234	27,501	0.9407
1PLATFRM	17	Platform	1,343,502	1,337,107	1,244,947	0.9311
1POUCHNG	17	Pouching Operations	17,100	16,979	16,634	0.9797
1PRESORT	17	Presort	32,626	32,268	30,613	0.9487
1SACKS_H	17	Manual Sort - Sack Outside	28,073	27,478	27,212	0.9903
1SCAN	17	Air Contract DCS and Incoming/SWYB	88,808	88,609	86,964	0.9814
		Other Operations				
BUSREPLY	18	Business Reply / Postage Due	10,100	10,100	9,959	0.9860
EXPRESS	18	Express Mail	83,492	83,181	74,139	0.8913
REGISTRY	18	Registry	86,812	86,516	40,588	0.4691
REWRAP	18	Damaged Parcel Rewrap	16,695	16,469	16,401	0.9959
1EEQMT	18	Empty Equipment	33,154	32,911	32,794	0.9965
1MISC	18	Miscellaneous	59,624	52,578	50,357	0.9578
1SUPPORT	18	Mail Processing Support	111,239	22,009	20,536	0.9331
INTL ISC	all MP LDCs	**ISCs** (International Service Centers)	252,293	246,216	236,801	0.9618
		MAIL PROCESSING TOTAL FOR MODS 1&2 Offices	**6,980,608**	**6,850,140**	**6,596,825**	**0.9630**

Table 1: FY 19 Cost Segment 3 Clerk and Mailhandler Cost Pools

SAS name	Applicable LDC or IOCS	Cost Pool Title	Pool Total Costs (incl migrated & fixed) (a)	PRC Mail Proc Pool costs (excl 'migrated') (b)	PRC Mail Proc Vol.Var. Costs (excl 'fixed') (c)	PRC Mail Proc Pool Volume-Variable Factor c / d
1B. MAIL PROCESSING - NDCs GROUP						
FSS	12 & 17	FSS (incl. LDC17 MODS op #530)	21,723	21,602	21,602	1.0000
MANP	14	NDC Manual Parcel Sorting (incl NDC Manual Priority)	39,683	39,455	37,610	0.9532
OTHR	other MP LDCs	Allied Labor & all other Mail Processing	98,110	71,921	68,652	0.9545
PLA	17	Platform	386,156	384,505	346,373	0.9008
PSM	13	Parcel Sorting Machine	144,213	142,845	139,806	0.9787
APBS	13	APBS (incl SPBS)	87,020	86,418	82,270	0.9520
LCUS-SSM	16	LCUS-SSM	43,367	43,367	40,404	0.9317
TRAYSORT	16	Tray Sorter & Robotics	39,069	39,069	37,579	0.9619
		MAIL PROCESSING TOTAL FOR NDCs	**859,341**	**829,182**	**774,297**	**0.9338**
1C. MAIL PROCESSING - NON-MODS GROUP						
ALLIED	IOCs	Allied	618,539	618,538	585,323	0.9463
AUTO/MEC	IOCs	Automated/Mechanized	16,395	16,394	15,850	0.9668
BULKACCP	IOCs	Bulk Mail Acceptance	177,080	177,080	39,976	0.2258
BUSREPLY	IOCs	Business Return Services	64,467	64,467	64,161	0.9952
CFS	IOCs	Computerized Forwarding System	42,027	42,027	42,027	1.0000
D.PO BOX	IOCs	Distribution to P.O. Box	429,911	429,911	424,403	0.9872
EXPRESS	IOCs	Express Mail	38,810	38,810	26,546	0.6840
MANF	IOCs	Manual Flat	302,227	302,227	298,074	0.9863
MANL	IOCs	Manual Letter	402,905	402,905	397,434	0.9864
MANP	IOCs	Manual Parcel	1,074,303	1,074,304	1,050,528	0.9779
MISC	IOCs	Miscellaneous	247,600	247,600	242,619	0.9799
OTH ACCT	IOCs	Other Accountable	145,056	145,056	45,317	0.3124
REGISTRY	IOCs	Registry	19,329	19,329	9,901	0.5123
		MAIL PROC.TOTAL FOR NONMODS	**3,578,647**	**3,578,648**	**3,242,159**	**0.9060**
		TOTAL MAIL PROCESSING FOR COST SEGMENT 3	***11,418,596***	***11,257,969***	***10,613,281***	**0.9427**
2. ADMINISTRATIVE/WINDOW SERVICES - inputs to B Workpapers						
2A.	ADMINISTRATIVE/WINDOW SERVICES -MODS		**209,437**			
	non-MP LDCs	Administrative Services - ISCs	4,977			
	45	Window Services	-			
	75	Claims & Inquiries	6			
	othr non-MP LDCs	Administrative Services	98,232			
	othr non-MP LDCs	Customer Call Centers	106,222			
		Subtotal	209,437			
2B.	ADMINISTRATIVE/WINDOW SERVICES -NDCS		**15,953**			
	75	Claims & Inquiries	1,643			
	45	Window Service	-			
	othr non-MP LDCs	Administrative Services	14,310			
		Subtotal	15,953			
2C.	ADMINISTRATIVE/WINDOW SERVICES - nonMODS		**3,409,635**			
	IOCS	Administrative Services [1/]	756,997			
	IOCS	Claims & Inquiries	17,860			
	IOCS	Window Services	2,634,777			
		Subtotal	3,409,635			
TOTAL COST SEGMENT 3			**15,053,621**			
		Total MODS 1&2 Offices (incl ISCs)	**7,190,045**			
		Total NDCs	**875,294**			
		Total NonMODS Offices	**6,988,282**			

Footnotes

[1/] *All the non-mail processing clocking in/out costs are included in this category before being allocated to the non-mail processing functions.*

Note *For input data in col (a), see Tables I-1, I-2, I-3, I-4 in Part I*
For input data in cols. (b) & (c), see Tables 2-1, 2-2, 2-3 in Part II; the computations of c/d also shown in those tables